MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2018/2019

PFA0064 – ESSENTIALS OF FINANCIAL ACCOUNTING

(Foundation in Management)

7 MARCH 2019
9 a.m - 11 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **FIVE** pages(excluding the cover page) with 4 questions only.

2. Answer **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Write your answers in the Answer Booklet.

Question 1

The following are balances of R.Resh for the year ended 31 December 2018.

	RM
Inventory at 1 January 2018:	
Raw materials	20,000
Work in process	12,000
Finished goods	23,000
Purchases: Raw materials	248,000
Factory wages	58,000
Fuel and light	21,000
Rent and business rates	21,020
Repairs to plant and machinery	9,000
Plant and machinery (at cost)	80,000
Return inwards	6,000
Sales	480,000
Office expenses	9,000
Carriage outwards	4,000
Financial charges	2,000

Additional information:

1. Depreciation of 10% on plant and machinery using the straight line method.
2. RM4,000 outstanding for fuel and light.
3. Rent and business rates paid in advance: RM5,000.
4. 80% of fuel and light and 75% of rent and rates to be charged to factory.
5. Inventory at 31 December 2018 were:

Raw materials	RM 24,000
Work in process	RM 10,000
Finished goods	RM 26,000

Required

a) Prepare the manufacturing account for the year ended 31 December 2018. (13 marks)

b) Prepare the statement of profit or loss and other comprehensive income for the year ended 31 December 2018. (12 marks)

(Total 25 marks)

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Question 2

The following are details provided by Cyberjaya Bowling Club for the year 2018.

The club had RM5,600 cash balance as at 1st January 2018. The club has raised RM17,200 as collections from matches that they have conducted during the year of 2018. RM22,000 was also made as profit on sales of refreshments. Subscription fees received from members total RM6,000.

The club purchased equipment at RM1,200. Payment of rental for field RM4,800. Printing and stationery expenses and secretary's expenses were RM200 and RM320 respectively. Repairs to the equipment cost RM280. Groundsman's wages total cost was RM16,000. Miscellaneuos expenses was RM240.

Additional information:

i. At 1.1.2018 equipment was valued at RM6,000.

ii. At 31.12.2018 field rental paid in advance was RM1,200.

iii. At 31.12.2018 there was RM70 owing for printing.

iv. Subscription accrued for year 2018 is RM1,200.

v. Depreciate all equipment at 10% for the year 2018.

Required

a) Prepare the receipts and payment account. (12 marks)

b) Prepare the income and expenditure account for the year ended 31 December 2018. (13 marks)

(Total 25 marks)

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Question 3

Part A

Felly and Wally have been in partnership for many years, sharing profits and losses in the ratio 5:3 respectively.The partnership shows the following balances at the end of year 2018:

	RM	RM
Non-current assets		
Office fittings		12,400
Plant and machinery		16,320
		28,720
Current assets		
Inventory	6,420	
Accounts receivable	4,100	
Cash at bank	626	11,146
Total assets		39,866
Current liability		
Accounts payable		5,928
Financed by:		
Felly		19,461
Wally		14,477
Total equity and liabilities		39,866

On 1st January 2019, the partnership decided to admit Helly as a partner on the condition that she contributed RM12,000 cash as her capital but that the plant and machinery, inventory and office fittings should be revalued at RM16,800, RM6,100 and RM10,000 respectively. Allowance for bad debts is RM1,000.

Required

Prepare the following accounts as at 1 January 2019:

a) Revaluation account. (3 marks)
b) Partners' capital accounts (columnar format). (7 marks)
c) Statement of financial position. (10 marks)

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Part B

a) Payment of cash dividends.
b) Payment of interest.
c) Sale of ordinary shares.
d) Payment of accounts payable.
e) Payment of salaries.

Required

Indicate the effect that each of the above transactions has on the cash balance. Use + for increase, - for decrease, and 0 for no change. (5 marks)

(Total 25 marks)

Question 4

Below is the accounting details of Haziq Berhad as at 31 December 2018:

	(RM)
Issued and called up share capital: Ordinary shares RM1 each	400,000
Loan notes (6%)	106,800
Buildings at cost	450,000
Motor vehicles at cost	180,000
Inventory (31 December 2018)	10,000
Accounts receivables	20,000
Accounts payables	41,700
General reserve	20,000
Bank	197,092
Purchases	10,500
Sales	340,000
Salaries	15,500
Motor expenses	3,000

Additional information:

Retained profit as at 31st December 2017	RM 55,000
General reserve as at 1st Jan 2018	RM 32,000
Preference dividend paid during 2018	RM 6,000
Ordinary dividend paid during 2018	RM 22,000
Motor expenses accrued at 31st December 2018	RM 300
Bad debts written off at 31st December 2018	RM600
Salaries paid in advance at 31st December 2018	RM500
Inventory as at 31st December 2017	RM65,000

The company non-current assets are depreciated at the rate of 10% annually and loan interest 6% was fully paid for the year 2018.

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Required

a) Prepare the statement of profit or loss and other comprehensive income for the year ended 31 December 2018. (10 marks)

b) Prepare the statement of changes in equity for the year ended 31 December 2018. (5 marks)

c) Prepare the statement of financial position as at 31 December 2018. (10 marks)

(Total 25 marks)

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